



# OHR Employee Benefits

January 2001

## TSP NEWS

- ☆ For 2001, the Internal Revenue Service has announced that the annual limit on elective deferrals will be \$10,500. (For 2000, the elective deferral limit was also \$10,500.)
- ☆ Public Law 106-361 was enacted on October 27, 2000. It eliminates the current waiting period for employee contributions by new (and rehired) employees and authorizes rollovers into the TSP. The TSP has not yet set an effective date for its implementation.
- ☆ The TSP open season began November 15, 2000, and ends January 31, 2001.
- ☆ The current TSP record keeping system will be modified to allow participants to invest in the Small Capitalization Stock Index Investment (S) Fund and the International Stock Index Investment (I) Fund beginning May 1, 2001.
- ☆ For your information, the December 19, 2000, Federal Column in the Washington Post indicated that just before adjourning, Congress approved a change in the way employees invest in the Thrift Savings Plan. According to the article, the maximum employee contribution will increase 1 percentage point each year for 5 years, and then abolish the limits.
- ☆ Beginning with the TSP open season that starts May 15<sup>th</sup>, employees in FERS will be able to invest up to 11 percent of salary each pay period and employees in CSRS will be able to invest up to 6 percent. All will still be subject to the IRS limit of \$10,500 in 2001, the same as last year.
- ☆ The percentages will continue to rise until they reach 15 percent for FERS and 10 percent for CSRS in fiscal 2005. In fiscal 2006, the limits will be abolished.
- ☆ Congress had considered raising the dollar cap, but that idea fell away as legislators pushed towards adjournment. This issue may well arise again next year as part of a tax reform bill in Congress.

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## USING THE TSP WEB SITE

The TSP Web site, <http://www.tsp.gov> offers a wealth of information about the features of the plan to employees and retirees.

Some of the sites to view are TSP Features, Rates of Return, Current Information, Calculators, and Account Access.

New Employees: The Web site gives you the most up-to-date information on features of the plan. A Plan Summary was included in your EOD package, but you may want to access the Web site for additional information.

Current Employees: Information about the latest Rates of Return and the ability to access your account can be found on the TSP Web site. To access your account, you will need your Social Security Number and your TSP Pin Number. If you don't have a pin number, use the Account Access feature of the Web site to request one. It will be mailed to your home address within 10 working days. You can obtain loan information on the Web site, make Interfund Transfers, and download forms.

Retired Employees: Retirees looking for withdrawal options can get annuity information on the Web site. A Calculator is also available to help you determine the anticipated growth of your TSP account.

We encourage you to look at the TSP Web site often, as additional information is planned for the future.

## ON-THE-JOB INJURIES

If you are injured on the job, it is your responsibility to obtain a CA-1 form to file a claim for possible benefits. This form can be obtained from Medical Services or the Benefits Office, both located in Building 15. If your injury prevents you from obtaining this form, it can be filled out by your supervisor on your behalf.

After completing the employee portion of the form, it should be given to your supervisor to complete the supervisor's statement.



It is **your** responsibility to follow up with your supervisor regarding the completion of the form. Often we receive the CA-1 beyond the 10-day filing time mandated by the Department of Labor. This can impact the effective use of Continuation of Pay (COP) for the employee. It is also important that you keep in touch with the Benefits Office while on COP so that we can notify Payroll to properly document the use of COP. You can reach the Benefits Office at extensions 3-2027, 3-2507, and 3-8550.

## ROLLBACK OF CSRS AND FERS WITHHOLDING RATES

Public Law 106.346, signed by the President on October 23, 2000, rolls back CSRS and FERS withholdings rates for all employees, other than Members of Congress, to those in effect before 1999. The new lower rates will be effective on the first day of the first pay period beginning on or after January 1, 2001.

### **EMPLOYEE WITHHOLDINGS**

For your convenience, the following provides the CSRS and FERS withholding rates that will be effective on the first day of the first pay period beginning January 14, 2001. You will see this in your pay on February 6, 2001.

	New Withholding Rate (%)	Current Rate (%)		New Withholding Rate (%)	Current Rate (%)
<b>FULL CSRS</b>			<b>FERS &amp; CSRS OFFSET</b>		
"Regular" Employees	7.0	7.40	"Regular" Employees	0.8	1.20

## FEDERAL EMPLOYEES HEALTH BENEFITS: CHILDREN'S EQUITY

There has been a change in the law affecting enrollment under the Federal Employees Health Benefits (FEHB) Program. This change is the result of a new law, Public Law 106-394, the "Federal Employees Health Benefits Children's Equity Act of 2000," which was enacted October 30, 2000.

The FEHB law and regulations allow an employee to change enrollment after a change in family status. OPM considers the issuance of a court or administrative order requiring an employee to provide health benefits for his/her children to be a change in family status allowing an enrollment change.

Although the issuance of such a court/admin order allows an enrollment change, there has been nothing in the FEHB law that actually required an employee to make the change. An employee with such an order in place could refuse to enroll for self and family coverage. While this seemingly violated the court/admin order, it did not violate the FEHB law.

Public Law 106-394 requires mandatory self and family coverage for FEHB-eligible employees who do not comply with a court or administrative order to provide health benefits for their children. An employee subject to such an order must enroll in self and family coverage in a plan that provides full benefits to his/her child(ren) in the area where they live or provide documentation that he/she has other health coverage for the children. If the employee does not enroll in an appropriate health plan or provide documentation of other coverage for the children, the Agency must enroll the employee for self and family coverage in the standard option of the Blue Cross and Blue Shield Service Benefit Plan (enrollment code 105).

This type of mandatory coverage has been in effect for several years in the private sector. The new legislation extends the requirement to Federal employees.

OHR will know when someone submits a court or administrative order for implementation. The court or administrative order can be submitted by the custodial parent, an attorney for the custodial parent, the State administrative agency that issues the admin order—by whomever. It doesn't matter who submits the order.

## FEDERAL EMPLOYEES ONLINE RETIREMENT CALCULATOR

Are you curious what your monthly income will be when you retire? In addition to being able to obtain a print out from the Benefits Office, the Office of Personnel Management now has an online calculator. The Federal Employees Retirement Calculator is available at:

[www.seniors.gov/fedcalc.html](http://www.seniors.gov/fedcalc.html).

This Web site allows you to calculate not only what your monthly Government annuity will be, but also your Social Security benefit and your TSP annuity. Before you start you should have: 1) your Social Security statement, 2) your spouses Social Security statement, 3) your Thrift Savings Plan statement, and 4) a recent pay stub.

This Web site includes additional links to the Social Security Administration, Thrift Savings Plan, and other Federal agency and state Web sites.

HAVE FUN!!



If the court order deals only with health benefits, it does *not* have to be certified. However, if the court order also deals with life insurance or retirement benefits, then it *does* have to be certified. Administrative orders come from the state child support agencies. They will not be certified. The Agency must receive the court/admin order on or after October 30, 2000.

Court or administrative orders that were submitted before the enactment of Public Law 106-394 don't "count." For the order to be valid, it must be received no earlier than October 30, 2000.

Anyone who submitted a court/admin order relating to health benefits for an employee's children before October 30, 2000, would have to resubmit it. The court/admin order can be *issued* before October 30, 2000; but it doesn't have any validity for FEHB purposes unless OHR *received* it on or after October 30, 2000.

## MATERNITY LEAVE



Employees planning to go on maternity leave have several options available—accrued sick leave, accrued annual leave, advanced sick leave, Leave Transfer Program and leave without pay.

We recommend that you contact the Benefits Office, located in Building 15, room 103, or call Carol Mehallick at extension 3-2507, **8 to 10 weeks** prior to your due date to explore the options available. We can offer suggestions on preparation of the memo requesting the leave you will need and can issue the necessary approval letters before you begin your leave.

Please contact the Benefits Office at extension 3-2507 if you need further information.

## FREQUENTLY ASKED QUESTIONS

### Can I cover my parents/girlfriend on my health insurance?

Unless you are a former spouse or a survivor annuitant, family members eligible for coverage under Self and Family enrollment include your spouse and your unmarried dependent children under age 22. Eligible children include your legitimate or adopted children, recognized children born out of wedlock, stepchildren, or foster children, if they live with you in a regular parent-child relationship. In some cases, an unmarried, disabled child who is 22 years old or older is eligible for coverage under Self and Family enrollment if you provide adequate medical certification of a mental or physical handicap that existed before the his or her 22<sup>nd</sup> birthday and renders the child incapable of self support.



If you are a former spouse or survivor annuitant, family members eligible for coverage under your Self and Family enrollment are the unmarried dependent natural or adopted children under age 22 of both you and your former or deceased spouse.

### My TSP statement shows that I do not have a beneficiary on file, do I need to designate one?

Designation of beneficiary for the TSP, FEGLI, and your retirement contributions are not necessary, unless you want the benefit paid other than in the order of precedence. The order of precedence is:

1. To your widow or widower
2. If none, to your child or children equally, and descendants of deceased children by representation
3. If none, to your parents equally or the surviving parent
4. If none, to the appointed executor or administrator of your estate
5. If none, to your next of kin who is entitled to your estate under the laws of the state in which you resided at the time of your death.

Once you have designated a beneficiary, it is important to update those records if and when you experience a life event.



**I carry a Self and Family health enrollment, I want to drop one of my family members, can I do it?**

If you carry a Self and Family enrollment, all eligible family members *ARE* covered, regardless of what you have stated on the form.